

## **LICENSE PLATE AUCTION GROUP (LPAG)**

1881 Pierce St., Lakewood, CO 80214

Boards & Commissions Conference Room

January 26, 2015

### **Minutes to the Meeting**

Members in Attendance: Bobby Juchem (via Telephone), Bob Gall, Peter Pike, Mark Simon (via telephone), Gina Robinson (via telephone), Ryan Carson (via telephone) Zach Pierce, TH Mack Sr. (via telephone).

Guests in Attendance: Noelle Peterson – DOR, Marty Zim – Zim Consulting, Kit Sage, LeeAnn Morrill – AG's Office (via telephone), Dylan Ikenouye – DOR (via telephone), Tony Anderson – DOR (via telephone) .

**CONVENE:** Bobby convened the meeting at 9:04 a.m. A Quorum was present. Bobby asked for a motion on the minutes for December 29<sup>th</sup> 2014 and January 9, 2015. Bob Gall noted he didn't believe he was present for the meeting on the 9<sup>th</sup>. Maren moved to approve the 12/29/2014 minutes, 2<sup>nd</sup> by Gina. Motion Passed. Maren moved and Gina 2<sup>nd</sup> to approve the 1/69/2015 minutes. Motion passed.

### **Auction Update:**

Marty gave the following updates:

- ✓ On-Line Auction was launched on 1/21/2015
  - Article in the Denver Post
  - Interview on CBS Channel 5 in Colo. Springs
  - Interview on Channel 2/31 in Denver
  - Bidding launched quickly
  - Currently 3 times the registrants vs. bidders
  - Believe plates will average out at \$750-\$1,000 each
  - Created a number of categories of plates
    - Have not heard any complaints about the "double entendre" plates
    - Gov.'s office was OK, Senate President's office was OK
  - Media focusing on the MMJ category
  - Sending out follow up emails to previous bidders, the Ski Industry, the MMJ, industry (who have expressed great interest)
  - Mark Simon noted the plates that as of the start of the meeting had bids and what those bids were.
  - Significant spike in Tweets, re-Tweets, and Facebook activity regarding the auction. (43,984 re-Tweets, Facebook has increased by 120 new "Likes" per day.)
  - Marty gave a break-down of the demographics – Generally mid-aged to older 55-64.

- Peter asked if there has been any further conversation with the Patent holder. LeeAnn said there had been a follow-up conversation, where the other attorney still believes there is a violation—in a hugely broad view. LeeAnn believes it won't stand in Court. The Patent holders were going to review their situation and get back to LeeAnn and so far haven't heard anything.
- ✓ The Event itself:
  - Speakers lined up
  - Comedian lined up
  - Empowerment and community support, positive message, etc. for the PWD community.
  - Biggest area of concern is the number of people signed up to attend, looking for up to 200.
    - Safety clause with History Colorado lets LPAG adjust the number down if they aren't seeing the registrations, but is still enough to cover the minimum cost.
    - Marty activated the safety clause (of 100 people). Marty reminded LPAG that his contract with LPAG does not include rounding up guests to attend, but they have reached out to over 400 of their contacts. As of now there are 49 people registered. Gov.'s office has reached out and many of the LPAG Group has reached out to their Network. Numbers still seem low. Really need everyone to invite everyone they know.
    - Registration at the door is fine, but pre-registration is better.
  - Lots of volunteers will be on hand to expedite the registration at the event.
  - Marty asked Mark to talk about Publicity.
    - Mark wanted to do something that would get TV cameras turned on.
    - Zach was impressed with the Social Media coverage and the media coverage in general.
    - Peter noted that the feedback he was getting from his network was that people thought the purchase of license plates was unattainable (price) and therefore couldn't justify attendance. "If I can't afford to spend \$1,000 on a plate, why would I go?"
      - Marty thanked Peter for his honest feedback. He did note that by attending the event, even though they weren't going to bid, they still are supporting the PWD community and hearing an empowering message and he would craft a message like this to be sent out or forwarded around.
    - Peter believed that the focus Fox 31 put on the Pot plates took away from the purpose of the auction.
    - Mark took away from Peter's comments that maybe LPAG needs to adjust its focus for any future event, in marketing from auctioning plates to that of a fundraiser, by auctioning plates and appealing to a broader base. Maybe also auctioning off such things as art work or wine from donors as well.
    - Zach agreed with Peter's point and maybe some diversification was in order.
    - Marty noted that people did not want to donate silent auction items to a quasi-governmental agency, that there was a message conflict about giving to the government to give to the beneficiaries.

- Zach asked about the mis-communication and some clarification about the perception the Zim Communication would be responsible for soliciting the participants for the auctions. Marty said he'd been approached by a member of the Group who believed that it was Zim's job to go find all of the participants. Marty believed that he had been pretty clear throughout the process (specifically when he was having the individual meetings with the members of the Group) that it would always be the case for the members of the Group to reach out to their Networks and the Groups that would benefit from the Auctions. This cleared up Zach's confusion.
- Mark asked if it was appropriate to cut the price of the tickets to \$50
- TH acknowledged that he was the one who believed that Zim should have provided the participants. Additionally he believed if the originating statutes allowed LPAG to auction off other things besides plates.
  - LeeAnn responded that it limited the group to uniquely valuable license numbers.
- TH then discussed the lowering of the price and didn't believe it would be fair to those who had paid the higher price.
- Mark suggested that a lower price be available for pre-purchasing instead of at the door. Mark further went on that since it was the Cross Disability coalition who was actually doing the auction they could auction off anything. TH disagreed, calling it semantics and asked LeeAnn to weigh in.
  - LeeAnn suggested that Mark's suggestion of having Cross Disability include other items and then do something with those specific (like gifting/granting) proceeds was up to them. LeeAnn also agreed with TH that LPAG's only authorized function was the uniquely valuable registration numbers. There was some further discussion as to what the 75/25 split referenced in statute applied to (other auction items vs. registration numbers).
  - Mark stated that if someone auctioned off a registration number for LPAG, LPAG gets to keep 20% of those proceeds as a commission for doing the auction and 5% of those for administrative costs. If LPAG resells a plate, the purchaser pays a 25% royalty on top of the purchase price, which LPAG keeps. Mark also believed that LPAG and Cross Disability were partners in the event so they could auction off anything.
  - Zach believed LPAG itself was restricted to the registration numbers but other groups that LPAG partnered with could auction anything.
  - *[Maren had to step out for another call for a while.]*
  - Marty discussed some of the other items that were donated to LPAG for the silent auction. LeeAnn asked if they were donated to Cross Disability or to LPAG, Marty replied LPAG sent out letters on behalf of Cross for items to be auctioned off. Payments would go to Cross with proceeds being forwarded to LPAG. LeeAnn wanted to be sure that it was Cross Disability that was auctioning off these items and then gifting the money to LPAG as the statute is very narrowly written about what they auctioned.

- Bobby asked if the chain of events that has occurred so far puts LPAG in any trouble. LeeAnn thought, on the surface, it seemed OK but wondered why LPAG was sending out letters on behalf of Cross Disability, when they could have done it themselves. LPAG doesn't exist to solicit donations, unlike Cross Disability. LPAG is not a non-profit, even though they are raising money for non-profits as a portion of the money goes to the General Fund. The potential for the "Consumer" being confused is there.
- Mark didn't believe it was out of the norm at all. He believed the HCPF sent out letters on behalf of all the time to make people aware of resources and partnerships. Mark further went on to discuss the contract between LPAG and Cross Disability and the requirement that LPAG do outreach on behalf of Cross Disability.
- LeeAnn agreed but noted that there was a fine line between outreach and solicitation and really wanted to see the letter that LPAG sent out on behalf of Cross Disability for the event. She really believed that LPAG should not be soliciting donations for non-profits. There may be some concerns.
- Mark asked if LeeAnn's comments were based on perception or Statute. LeeAnn answered that her responses were based on Statue and reminded him, again, that she hadn't reviewed the letter, but the conflict may exist.
- Bobby suggested that Marty get LeeAnn a copy of the letter as soon as possible for her review. Bobby also suggested that as Marty was preparing the best practices document to include having the partner organization do the solicitation as that also negates the argument about government solicitation that Peter had mentioned before.
- Bobby the steered the discussion back to the suggestion of lowering the ticket price. He didn't think it was a good idea. LPAG needs to raise as much money as possible for LPAG's beneficiaries and disingenuous to those who paid the \$75.
- Mark said he threw that out there as a way to fill the room, stating that he'd seen it before, not that he wanted to make it the standard.
- Bob agreed that LPAG shouldn't cut the price. He also believed that having the event in the middle of the week wasn't as good an idea as the weekend. Also believed that future events should be \$20 instead and make it up in volume. Bob also wanted to create a license plate for advertising purposes.
- Peter didn't understand the difference between people who were just buying tickets vs. those who were bidding. Marty discussed how the mix would work. Some people (the sponsors) just bought tables/tickets and probably would not be bidding.
- Mark pointed out that \$75 was clearly out of the budget of the population that the event was designed to serve and there might be a way, in the future to accommodate those folks would be a good idea. Marty agreed.
- Marty discussed a gentlemen who wanted to buy 7 and BRONCO, but had some questions:

- If he were to buy BRONCO and then give it back to LPAG to re-auction, he wants to be sure he makes a profit. Mark discussed, again, how it's the 2<sup>nd</sup> Buyer who pays the 25% premium.
- In other words the Buyer (who will then give it back) wants to set the reserve price for the next seller to make sure he makes a profit. The discussion then devolved into whether the State would issue a 1099 to the investor.
- TH asked what happens if the buyer gets BRONCO, but then no one wants to pay the amount he sets. The answer being, then he holds it until such time as he can get it out.
- Mark tasked Marty with developing policy re-sale policy for review.
- LeeAnn is concerned that there might be an infringement upon the patent in this instance, depending on how the re-sale is structured. She really wants to run any proposed structure for this by Devin (AG's Patent Attorney).
- Mark asked if LPAG could set policy allowing the "1<sup>st</sup> Seller" to set the resale price. LeeAnn noted that it's always better, as a policy, if LPAG sets the reserve and notes what the previous buyer paid, that it's not usually a good idea for the "1<sup>st</sup> Seller" to set the price.
- There was then general discussion about how fast this could be done and when it would apply, since the auction was in two days, and what it might look like in future auctions. LeeAnn detailed her concerns about how the resale would work; as LPAG would be facilitating the transfer of a registration number from one person to another and how that really come close to what is in the patent. Devin really needs to review this.
- Mark moved and Bob 2<sup>nd</sup> that, "LPAG will allow a buyer to request a reserve on a resale plate of no less than their original purchase price." LeeAnn was fine with this as long as it's clear the LPAG will be setting the final reserve price. Bobby called the vote:
  - Gina – Yes
  - Ryan – Yes
  - Peter – Yes
  - Zach – Yes
  - TH – Yes
  - Mark – Yes
  - Bob – Yes
  - Bobby – Yes
  - Motion Passed.
- ✓ Marty then wanted to follow up on the veteran who requested release of her plates – which has taken place and the process closed out and thanked the Group for allowing this to take place.
  - Mark wanted to use this for publicity. There was some general discussion but no one was able to draw a clear connection between the two events. Bobby thought it cheapened the pureness of the act.

- ✓ Marty also reported that the GOLDEN registration that was auctioned off and that the check was made out to the wrong entity, but was getting cleared up.
  - Marty did want to disclose that he works with a number of non-profits who do auctions and events, but wanted everyone to understand that the only way to get a registration number to auction at an event was not to have to go through Zim Consulting. He would always bring those requests to LPAG and wanted to be sure to avoid any appearance of impropriety or conflicts of interest, as he has another group that has some interest. The Group seemed fine with this.

### **Amending Terms and Conditions for Online Auctions:**

- ❖ LeeAnn reported on the revised Terms and Conditions update and where she was with getting the appropriate expertise on Probate. There will be some costs involved with this as it will be outside the AG's office.
  - Bobby asked if someone from "the Public" could just come and make a presentation.
  - LeeAnn pointed out that in that instance, they wouldn't have all of the facts, they wouldn't have an attorney-client relationship, privilege wouldn't exist, and the AG's office has the sole authority to appoint outside expertise. The AG's office would not be able to cover any actions taken by LPAG based on advice given by that person.
  - Mark asked if it was possible to get someone to do the work pro-bono, would they still have to have the AG's appointment. LeeAnn said yes and then discussed how the appointment would take place.
- ❖ Mark asked if there could be a motion for people to go look for such an attorney, and then forward that information to the AG's office through Bobby. Bob agreed. TH asked if there was anyone in the AG's office who could provide Probate Advice. LeeAnn's short answer was no, as it usually doesn't affect State Government. Mark moved that the members seek out an attorney that could provide pro-bono Probate advice to LPAG; forward that name(s) to Bobby who will forward it on to LeeAnn and the AG's office for approval as a Special AG to LPAG. Bob 2<sup>nd</sup> the motion. Bobby Called the vote:
  - Gina – Yes
  - Ryan – Yes
  - Peter – Yes
  - Zach – Yes
  - Mark – Yes
  - Bob – Yes
  - Maren – Yes
  - Bobby – Yes
  - TH – Yes
  - Motion Carried

### **Restructure Update/Policy Discussion – Zach Pierce**

Zach reported that over the last several months' people from LPAG, DBSCC and the Advisory Council for Persons with Disabilities have engaged in several meetings to see if there wasn't a better way to achieve programming more efficiently and effectively. Governor's office was originally looking at a

structural change or a larger overseeing board but there are a lot of questions and statutes to revisit. There is a plan to engage an outside facilitator to try to help negotiate some of this, but this lead to who was paying for what. This caused push back about what was going to be paid for. The realization was that the groups are still not on the same page.

There are still some good opportunities, but there needs to be some more grass roots involvement and education needed. Once the auction is over and is being evaluated there will be a better chance to look at this.

Policy conversations have no structure. There are inherent conflicts with how the various state agencies approach legislation. Policy discussions need to be approved by the group and then sent to the Advisory Council with Disabilities (as they have statutory authority to make recommendations) to send on to the Legislature rather than just going and finding a legislator to do things. That was Zach's quick overview.

Mark said that DBSCC made the determination that they are happy to work with the other groups in moving forward on these options, but are not willing to take the lead as they are not authorized or equipped. Gina said that her group had tried to reach out and schedule something, and would continue to do so.

Mark continued on about how employees of the State, have concerns about engaging in discussions and decisions about policy and legislation, without checking with their Agencies and chains of command and having written proposals to layout before them, which they can't have or get to, without the discussion. This causes a "catch 22" about creating some written proposals to send to the Council to send to the Legislature.

Zach agreed that this is something that needed to be identified and worked on, that sending anything to the various Agencies Executive Directors might be down the road after it's been examined. Zach believed it was going to be case by case. Mark and Zach continued with some general discussion about this without being able to resolve the potential for some "catch 22" situations that will still exist no matter what. State employees may simply not be able to engage until there is something more structured and written to take up the chain.

Zach suggested everyone bringing their policy initiatives to the table so they can be sorted through and prioritized and gauge the level at which State Employees are willing to engage.

Maren would make sure the appropriate items were added to the February agenda

### **Sustainability:**

Peter discussed the reservation of additional plates and asked if the January request took place. Maren and Marty confirmed that it had. Peter asked when the next date for a request could be made; the answer came back that any time after 7/2/2015.

Peter asked if the only thing LPAG was authorized to do was to auction off registration numbers. Maren answered yes. Mark asked if they group had started working on potential registration numbers out of the new currently issued configurations (AAA-###). Yes, the list is starting to be looked at.

Peter continued on about the various formats of the upcoming auctions that might be employed. Peter then asked if the PSA that was developed, would still be available in the future. Marty reminded Peter that LPAG owned all of the media and that it could be used however, whenever. Peter wondered if anyone else had any thoughts about things for future sustainability for future agenda items. Marty suggested that there would be things that would come out of his report from the latest auction that might be worth looking at.

Mark suggested at looking at movies that are coming out a year from now and anticipating the potential in those.

Peter asked about upcoming fundraising events that LPAG might want to partner with that would attract attention, like the Susan G. Komen Race for the Cure. Are the other strategies LPAG should be looking at?

Mark talked about the timing of possible configurations after a movie release – 30 days vs. 6 months out.

### **Public Testimony**

Peter discussed and reminded the LPAG members about why they are here doing the work that they do.

As a matter of procedure, Bobby asked that it's important not to speak over each other, given the format of some on the phone and some in the room.

Bobby adjourned the meeting at 11:55 a.m.

Respectfully submitted  
Chris Hochmuth  
Administrative Services Supervisor  
Title and Registration Sections  
Department of Revenue